

Software Solutions

From Canadian Transportation and Logistics 'the bigger picture' December 2003

By: By Jack Bradley, BA, CITT, P.MM

MSM & Associates Consulting Inc. www.consultmsm.com

There are so many software options, choosing the right one is not easy. Here's what you should consider.

Over the past few decades there have been significant advances in the amount and type of software solutions to the logistics industry. We've come a long way from being an add-on to the old order entry and accounts payable systems of days gone by. There have been significant advancements in software for such things as fleet maintenance, routing and satellite tracking software, load configuration and load planning, budgeting, carrier selection, facility, warehouse, and inventory management.

There are so many good software vendors and programs supporting the logistics industry these days that it can be quite difficult to determine which you need and which is the right fit for your organization. To help you with the selection process, we've highlighted a few of the steps in this process.

Determination

Why do you require this software? What do you want it to do? What can it do? How long do you think this software can support your requirements?

Keep in mind that the software doesn't solve the issues or problems in your business - it is a planning tool that needs your careful guidance. Are you buying a Traffic Management System (TMS) because you want it to calculate and determine the cheapest carrier rate from the many you have on file? All TMS software will do this at a minimum and usually very well. You must still ensure that you provide the system with only those carriers that meet your quality and service standards or you'll be in for some surprises.

Price

When you've made the determination to review the possible purchase of transportation, distribution, warehousing or logistics software you'll need to ensure that what it is you're considering fits with your budget and more importantly has payback either as a financial or service gain to your organization.

References

This is such a critical part of the evaluation process. I recall working on a project for purchase of \$30,000 worth of on-board computers. We approached three very well known suppliers and asked them to give us the names and contacts of five companies to which they had provided installation and software support similar to our intended requirements. We did on-site visits to one of each of their customers and interviewed the people using the software and hardware. We even went out to speak to their drivers and operations people. We uncovered simple things like how it was important to many drivers to have full alphanumeric keypads for ease of use. Other discoveries led us away from one vendor that had difficulties fixing software issues.

Try to ascertain the financial stability of the software company you are considering. In the example used above we found out that the company with the cheapest price had been having some financial difficulties. They no longer exist.

Get these references and check them carefully!

Support and Training

You'll discover some of the support and training information in your reference checking. Find out if support and training are included or come with add-on costs and how much they are, and what they cover.

How long has the vendor been in existence? Do they support and train with their own employees? Is the program written in a language that can be supported in years to come? Will you need them to do the upgrades or can you do the updates yourself in-house? How often do they provide software upgrades? When was the last one?

I spoke to one company recently that claimed the WMS (Warehouse Management System) they purchased two years ago for over \$50,000 didn't work. It didn't work because they didn't support it properly in-house. They had staff changes in critical areas where the software was functioning and did not follow this up with appropriate training.

This is one area that can hold some surprises if you're not careful to check, confirm and document what it is you're getting along with the hardware.

Implementation

Who provides the implementation? How long does it take? How much work do you have to do in order to get the software up and running or will the vendor take care of loading the necessary and often time-consuming data that may be required. Do you want the ability to gain historical data right away?

Evaluation

There has to be a reasonable period for testing, evaluating and tweaking the software before going "live". Consider what happens if the product crashes or isn't available due to power outages for a period of time. How difficult is it to work without the software? What are you required to do to protect the data and its integrity?

Life Cycle

Ensure that you are getting software that will meet with your objectives for the period of time that you've determined in your payback evaluation. Software can be tweaked over time but hardware advances might require you to consider newer models or upgrades to computers to support the software changes. Remember that your 486 can only handle so many software upgrades using Windows 98!

Try to keep abreast of the latest technology and advances in our industry through the various trade journals, internet sources and member associations. You may not be in the market currently for software at your organization but you must be mindful of what's available to help you within the planning of your logistics challenges.

Software is primarily developed to make our lives easier. Make sure to take the time to conduct a thorough investigation of the purchase and avoid disappointment